



Information Bulletin

PST-68 Issued: March, 2001

Revised: November 2007

THE PROVINCIAL SALES TAX ACT

INFORMATION FOR AUCTIONEERS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax. It is a general guide and not a substitute for the legislation.

The changes to this bulletin are indicated by a (I) in the left hand margin.

The contents of this bulletin are presented under the following sections:

- A. Personal Used Goods
- B. Exemptions for Farmers
- C. Vehicle Sales
- D. Sales to Non-residents
- E. Goods for Resale and Sales to Status Indians
- F. Product List/Tax Status
- G. Goods and Services for Your Own Use
- H. Saskatchewan Electronic Tax Service (SETS)

A. PERSONAL USED GOODS

Individuals (including farmers and farm corporations) who purchase used goods at an auction (other than vehicles) for personal use are entitled to a deduction of \$300 per item. The \$300 deduction does not extend to goods purchased for commercial use.

B. EXEMPTIONS FOR FARMERS

A farmer is entitled to a tax exemption on certain farm implements, farm machinery, farm tools and commodities, including repair parts when acquired for use directly in a primary farming activity (see Section F of this bulletin for a list of exempt items).

Exempt farm items fall into the following categories:

- those that are readily identifiable and are exempt from tax as goods used exclusively in a farming operation. A Farm Exemption Certificate or equivalent is not required.
- those that may be taxable when used in operations other than farming but which a farmer must certify as being used solely in the operation of his or her farm upon:

- (i) completion of a Farm Exemption Certificate;
- (ii) completion of the contract form issued pursuant to The Agricultural Implements Act; or
- (iii) print, type, write or apply by rubber stamp on the sales invoice or other document supporting the sale the following information:

Land Description Sec _____ Twsp _____ R _____ M _____.

I hereby certify the goods listed on this invoice will be used solely in the operation of my farm.

Date

Signature of Farmer

Completed Farm Exemption Certificates should be retained by the auctioneer for a minimum of three years and should not be forwarded to the Revenue Division.

C. VEHICLE SALES

Effective November 8, 2007 Provincial Sales Tax (PST) no longer applies to the sale of eligible used light vehicles on which PST has previously been paid in full. These include:

- Cars
- Sport utility vehicles
- Light vans (mini-vans, passenger vans and cargo vans that are rated one ton or less); and,
- Light trucks (quarter ton, half ton, three quarter ton and one ton)

New vehicles and the following used vehicles are subject to tax on the total selling price, including charges for documentation fees and accessories:

- used heavy vehicles (over one ton),
- ineligible used light vehicles, such as motorcycles, mopeds, ATV's, snowmobiles, boats, personal water craft and trailers, and,

- used light vehicles on which the tax was not previously paid in full, such as those;
 - purchased from outside Saskatchewan (other than settler's effects);
 - imported by vehicle dealers for sale in Saskatchewan;
 - on which tax was only partially paid such as leased vehicles;
 - used interjurisdictionally that were subject to a tax pro-rate plan;
 - purchased from a status Indian or federal government department or agency; and,
 - received as a gift from a non-resident donor.

Note: To determine if tax was paid by a previous owner, identify prior registration in the province and the type of vehicle as noted above.

- The \$3,000 deduction allowed on private transactions does not apply to vehicles sold by auctioneers.
- Vehicles may be sold tax free to non-residents upon completion of an Exempt Motor Vehicle Sales Certificate. Exempt Motor Vehicle Sales Certificates are available from the Revenue Division.

Note: In lieu of completing the Exempt Motor Vehicle Sales Certificate, the auctioneer may print, type, write or apply by rubber stamp on the sales invoice supporting the sale, the following certification by the non-resident.

Sale to Non-Resident

I certify that the above described vehicle was purchased by me on the ____ day of _____ 20____. This vehicle will be removed from Saskatchewan within 30 days of the date of sale. I have provided copies of my out of province vehicle registration or permit and driver's license to the auctioneer.

Date

Purchaser's Signature

D. SALES TO NON-RESIDENTS (EXCEPT VEHICLES)

Goods, other than vehicles, sold to non-residents are subject to tax, unless the auctioneer ships the goods out of province by common carrier or they are delivered by the auctioneer out of province.

U.S. residents may apply for a refund of tax by providing copies of custom importation documents on goods removed from Saskatchewan.

E. GOODS FOR RESALE AND SALES TO STATUS INDIANS

Goods purchased by other businesses for resale are tax exempt. The purchaser's Provincial Sales Tax license number must be recorded on the sales invoice and retained in the auctioneer's records.

Sales to Indians are not subject to tax upon presentation of a Certificate of Indian Status identification card issued under the Indian Act, providing the goods are delivered by the auctioneer to a reserve. The complete 10 digit card number must be recorded on the sales invoice. If the federal identification card number is only 3 to 5 digits, record the number and the name of the Band on the sales invoice.

F. PRODUCT LIST/TAX STATUS

	TAX STATUS	
	<u>Individual/Business</u>	<u>Farmer</u>
Agricultural feeds	E	E
* Air compressors	T	E*
Antifreeze	T	T
Antiques	T	T
Appliances and furniture	T	T
ATVs (not eligible for \$300/\$3,000 deduction)	T	T
Automotive parts	T	T
Bale handling equipment	T	E
Baler twine and wire	T	E
Barbecues, barbecue charcoal, starter fuel	T	T
Barbed wire	T	E*
Batteries	T	T
Brooder equipment and room accessories	T	E
Buildings fixed to land	E	E
Building materials	T	T
Cages (rabbit, mink, fox and chinchilla)	T	E
Campers (not eligible for \$300/\$3,000 deduction)	T	T
Cattle shelters	T	E
Cement, cement mixers	T	T
Chain saws	T	T
Chemicals (herbicides and fungicides)	E	E

* Exempt with a Farm Exemption Certificate or Equivalent - refer to section B.

TAX STATUS		
	<u>Individual/Business</u>	<u>Farmer</u>
Chemical storage tanks	T	E
Computers	T	T
Cultivators	T	E
* Dozer blade	T	E*
Electric fences	T	E
* Electric motors	T	E*
Fence pickets, including wooden posts, pickets or stakes that may be treated to prevent deterioration. Corral slabs for farm fencing are also exempt, but not rough cut lumber	T	
Fence staples	T	E*
Fertilizers	E	E
* Garden and lawn tractors and attachments	T	E*
Garden tools, equipment, furniture – taxable	T	T
Grain loss monitors	T	E
Grain equipment, including bin augers, aerators, cleaners, hoppers, vacuums, fans, grain and fertilizer scales	T	E
Grinders and mixers, hammermills, crushers, rollers	T	E
Hay feeders and dryers	T	E
Harrow and draw bars	T	E
High pressure washers	T	T
Hydraulic fluids and oils	T	T
Implement tires	T	E
Incubators and accessories	T	E
Irrigation, spraying and drainage equipment	T	E
Lawn mowers (walk behind)	T	T
* Lawn mowers (riding)	T	E*
Livestock medicaments, including sprays for warbles and similar diseases	T	E
Livestock scales, clippers, tags, tattooing tools and ink, magnets, branding irons, tying chains, bull nose rings	T	E
Lumber supplies, including rough cut lumber	T	T
Moisture meters - grain and hay	T	E
Motor oil	T	T
Parts books	T	T
Pet food, including vitamins and dietary supplements	T	T
Plumbing supplies	T	T
* Post hole diggers and drivers	T	E*
Power generators	T	T
Pumps - Calcium chloride pumps	T	E
- Fuel pumps	T	T
- Irrigation/drainage pumps	T	T
- Pumps and meters designed for use with herbicides	T	E

* Exempt with a Farm Exemption Certificate or Equivalent - refer to section B.

		TAX STATUS	
		<u>Individual/Business</u>	<u>Farmer</u>
	Rebar	T	T
*	Roto-tillers	T	E*
	Roller chain and links	T	E
	Shop manuals	E	E
	Snowblowers	T	T
*	Snow plough attachment for tractors	T	E*
	Tarps - general purpose and truck	T	T
	- bale tarps - if specifically designed to cover bales	T	E
	Tires - (implement tires exempt to a farmer)	T	T
	Tools (hand and power)	T	T
	Trailers - stock, cabin, fifth wheel and slide-in campers (not eligible for \$300/\$3,000 deduction)	T	T
	Transports specifically designed and manufactured for hauling combines, drills swathers or straw and hay bales.	T	E
	Truck boxes and hoists	T	T
*	Veterinary instruments, including calf weaners, ear notchers, emasculators, castrators, dehorners and calf pullers	T	E*
	Water tanks	T	E
*	Welding machines and welders	T	E*
	Welding accessories	T	T
*	Welding rods	T	E*
	Wildlife (stuffed, mounted)	T	T

* Exempt with a Farm Exemption Certificate or Equivalent - refer to section B.

Tax does not apply to real estate commissions on land and buildings sold by auction.

G. GOODS AND SERVICES FOR YOUR OWN USE

Auctioneers are required to pay tax on purchases of equipment, services and supplies used in their business. If they are purchased from a licensed supplier, the tax must be paid to the supplier. If they are purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and submitted with the return on the laid down cost, which includes exchange, transportation charges, customs and excise duties, and importation charges, but not the GST.

H. SASKATCHEWAN ELECTRONIC TAX SERVICE (SETS)

Saskatchewan Finance has made it possible to report and remit tax electronically through the use of a standard Internet connection. The Saskatchewan Electronic Tax Service (SETS) offers a secure, fast, easy and convenient alternative to filing returns in paper format. Several E-File services are currently available through SETS.

Businesses may use SETS to file and pay returns for Provincial Sales Tax and other provincial taxes.

SETS allows businesses to:

- File and pay returns or make payments on account.
- File a return and post-date the payment to the due date.
- View account balance and statement information.
- Authorize your accountant to file on your behalf.
- Subscribe to an E-mail Notification Service that allows the option to be notified by e-mail that a tax return should be filed (replaces the paper forms normally received in the mail).

FOR FURTHER INFORMATION

Write: Saskatchewan Finance
Revenue Division
2350 Albert Street
Regina, Saskatchewan
S4P 4A6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

E-mail: sask.tax.info@finance.gov.sk.ca

Fax: 306-787-9644

Internet: Provincial Sales Tax bulletins, forms and information are available on the Internet at:

<http://www.finance.gov.sk.ca/taxes/pst>

To receive automatic e-mail notification when this (or any other) bulletin is revised, go to www.finance.gov.sk.ca/taxes, click on the "What's New" information then click on the "subscribe" button.

